
The Naval Aviation FMS Logistics Conference

By

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In July 2000 the Naval Air Systems Command hosted a Foreign Military Sales Logistics Process Improvement Team (LPIT) Conference. The theme of the conference was on supporting foreign military sales (FMS) aviation systems through partnerships. The emphasis was on partnership building between the U.S. Navy, U.S. industry, and FMS customers, and inter-service partnerships within the DoD to find solutions to the problems of logistics support of aging or obsolete equipment. RADM Wall B. Massenburg, Assistant Director of Logistics, NAVAIR 3.0, opened the conference by encouraging the participants to tackle issues that are important to both U.S. government and FMS customers. He emphasized that today the U.S. military needs the help of international customers and U.S. industry to be able to work together in partnerships to find solutions to the obsolescent issues. The concentration needs to be on the integrated logistics support (ILS) elements, such as support equipment, test program sets, maintenance, training, spare parts, computer resources and technical data.

Security assistance foreign representatives (SAFRs) from fifteen FMS customer countries attended the conference, along with industry representatives of fourteen U.S. companies. Also represented were the Defense Logistics Agency (DLA), the State Department, the Defense Security Cooperation Agency (DSCA), and numerous Navy activities.

Last year's LPIT conference committed to working on several issues. These issues included better communication between FMS customers, industry and the U.S. Navy, a mechanism for



Steve Bernard, Director of FMS Logistics for NAVAIR, hosted the conference and offered welcoming remarks.

FMS customer submission of quality deficiency reports (QDR), and Navy participation in the worldwide warehouse redistribution system (WWRS). The Navy has joined the WWRS, with Canada and Israel being the first FMS customers to submit letters of requests for WWRS cases, and the Naval inventory control point (NAVICP) has established an on-line QDR submission and response process through its FMS eBusiness Suite. The consensus during this year's conference was that communication between all parties has improved within the last year by the Navy's implementation of secure web sites, such as NAVICP's FMS eBusiness Suite, the FMS initial support tracker (FIST), and the program management database (PMD). These can be accessed by FMS customers and industry personnel to obtain Navy

logistics data and updates about ongoing initiatives toward customer improvement.

Of the numerous issues discussed at this year's LPIT conference, one that is of great concern is the bureaucratic process of third-country transfers and export controls. Current legislation requires U.S. government approval of all third party transfers of any item, regardless of type, age,

value, duration, or reason, on a case-by-case basis. This requirement has drastically slowed down the process of end-item retransfers, and it has thwarted the exchange between FMS customers of spares and support equipment for the F/A-18, and other items which could be critical for the support of aging or obsolete FMS equipment. Doug Johnson of the State Department's Regional Security and Arms Transfer Policy office of the Bureau of Political Military Affairs (PM/RSAT) explained that FMS customers can get pre-approval to transfer material to other FMS customer countries by having their Minister of Foreign Affairs sign a blanket end-user agreement which does not have to be completed again for each retransfer. The State Department has accepted such blanket assurances from Belgium, Denmark, Latvia, Albania, Israel, Malaysia and Chile, and has draft blanket assurances pending with Norway, the Czech Republic, Paraguay and Canada.



Mr. Joseph Hill, NATEC, explains the Joint Aviation Technical Data Integration program.

Industry representatives proposed that the State Department consider licensing an entire support package in conjunction with licensing the export of the end item. This would speed up the LOA development process of follow-on support cases and allow an easier exchange of components between purchasers of that end item.



Bruce Wilhelm, NAVAIR; SQD LDR Gary Ilton, Australia; Paula Battisoni and Mike Houck, both of NAVAIR; Mike Marinshaw of Honeywell; and Gerry Tonoff, NAVICP-P constituted a panel of the Logistics Process Improvement Team.

Another problem identified at the LPIT conference was the restricted access to DoD web sites by international customers and industry representatives. Various local, Navy, or DoD policies have precluded the international customers from accessing publications, logistics data, financial information, and day-to-day operations resources via the Internet. Access policies vary within and between military services. Limited access is exacerbated by the 128-bit encryption requirements for CONUS browsers which are not compatible with lesser encryption standards

overseas. Furthermore, the lack of a single conduit for information for international and industry customers requires a user to maintain an extensive list of frequently changing universal resource locators (URLs), numerous accounts and passwords. The ideal solution is a one-stop web portal or conduit which allows worldwide access around the clock, allowing for data segregation based on user needs. This single entry point should allow access to publications, engineering and technical data, logistics and financial data, and should include, but would not be limited to, e-mail and a search capability. The lack of a consistent DoD policy on web site access, data management, and access pricing is an area of great concern to international, industry and DoD customers overall.

International customers requested that the Naval Aviation Depots (NADEPs) provide actual final repair costs of items returned for repair, rather than the current average cost, and a detailed explanation of what required repairing. This information would allow the FMS customer to track usage and breakage frequencies, leading to an adjustment and improvement in maintenance, operation or supply procedures for that item. This action item for the NADEPs was one of the focus issues for this year's LPIT conference.



Fred Morand of Northrop Grumman and Jim Winn of Information Spectrum, Inc., lead a discussion with industry representatives on customer support issues.

Industry representatives voiced their concern over the quality and reliability of breakout spares used in major end-items rather than original equipment manufacture (OEM) spares. Breakout spares are defined as items manufactured by a source other than that used by the manufacturer of the originally procured end-item. Breakout spares do not carry with them the quality and reliability standards of the original manufacturer. The use of breakout spares could result in higher repair parts costs for the customer in terms of more frequent maintenance and greater spares consumption. The purchase of break-out spares may seem cheaper based on unit cost, but in the overall life-cycle cost of the end-item, the use of breakout spares could be more expensive. As end-items age, and manufacturers' emphasis is on newer equipment production, the use of breakout spares becomes more frequent. International customers, DoD and industry need to work in partnership to ensure that OEM spares continue to be available to the international customer. The FMS customer's requirements need to be considered in the drawdown and disposal plan when the U.S. government procures the item initially, and the total cost of ownership by the U.S. government should include requirements to support FMS customers.



Captain Don Smith, NAVICP-OF, explains Navy initiatives such as participation in the Worldwide Redistribution System, the FMS hybrid reinvention and the FMS eBusiness website.

Another area identified as needing immediate attention was the inconsistent policies and service provided by the supply centers of the Defense Logistics Agency (DLA). International customers complained of the lengthy backorders of non-CLSSA requisitions (Type 5 backorders), and commented that the review period and release of these backorders varies by inventory control point (ICP). The FMS customers noted that DLA charges different cost recovery surcharge rates at different ICPs, and these rates are not explained to the customers. The requested solution is to eliminate the backorder policy reflected in Chapter 8 of the *Security Assistance Management Manual*, which restricts sales from stock on non-CLSSA requisitions to items whose on-hand level is above the reorder point. A change to this policy would permit DLA to include non-CLSSA demands in forecasting their stockage level requirements and provide better support to the FMS customer by reducing the number of backorders. International customers also requested DLA to increase the review and release of backordered items, increase the use of direct vendor deliveries of DLA managed material for FMS customers, and publish clear pricing policies.

Several other initiatives were discussed as support mechanisms for aging and obsolete equipment. These included the FMS reserve, a program currently in place by the Navy and DLA, which freezes disposals of spares for obsolete equipment, making them available to FMS customers. Further information on the FMS reserve can be found in the article “DLA Support for Naval Aviation FMS Customers” on page 70. Another Navy initiative is the FMS hybrid reinvention, which partners DoD and industry to provide secondary support items through a commercial buying service. See page 26 to read the article by Carol Shepherd on the “FMS Hybrid Case Reinvention Initiative.”

One of the special features of the conference was the Cybercafé, a separate area for computer demonstrations of new initiatives, of which several articles are featured in this issue of the *DISAM Journal*.

Among the computer based initiatives demonstrated at the Cybercafé was the Joint Aviation Technical Data Integration (JATDI) program, a NAVAIR and Army Aviation Missile Command (AMCOM) developed web-based application integrating Commercial-off-the-Shelf (COTS) products to obtain and display requested aviation technical data for selected Joint Weapons System. JATDI is currently being tested for FMS customer use by Australia. (See the article on page 57 by Stacy Cummings.)

The Naval Air Technical Data and Engineering Service Command (NATEC) demonstrated their publications web site and resources for supporting FMS customers with up to date Navy technical publications. (See Joseph Hill’s article on page 17.)

The Navy Inventory Control Point (NAVICP), Philadelphia, showed off its FMS Initial Support Tracker (FIST) which provides customers and program managers with an integrated tracking system to monitor support requirements. (See Robert Marr's article about FIST on page 20).

NAVICP also unveiled the FMS eBusiness web site, which allows the FMS customer to submit requisitions, reports of discrepancy, quality deficiency reports, and access a variety of information management systems such as FIST, the Management Information System of International Logistics (MISIL) and excess defense articles (EDA). More information on Navy FMS eBusiness can be found in Ken Kittredge's article on page 33.



Mr. Mike Gindraw, NAVICP, demonstrates the FMS Initial Support Trackers (FIST) at the Cybercaf .

Also demonstrated at the Cybercafé was NAVAIR's Program Management Database (PMD), an interactive global information management system designed to permit real-time information sharing and storage for all users via the internet and local servers. The PMD users can access forms, modules, reports, and attach files and information, using current applications on the user's personal computer. Steve Bernard has provided more information about PMD on page 5 of this *DISAM Journal*.

In conclusion, the Naval Aviation FMS Logistics Conference attempted to identify areas of concern and propose avenues for arriving at solutions to issues that impede on good customer support. The Naval Air Systems Command proposes to find solutions to the issues identified during the conference through the use of partnerships, sound business practices and innovative technology. In this year's conference, the workshop approach yielded many good suggestions for problem resolution, and increased the awareness of all attendees of the problems of aging and obsolete equipment support.



Security assistance foreign representatives LCDR Mark de Jonge, Netherlands; FLT LT Ian Reynolds, U.K.; SQD LDR Gary Ilton, Australia; and WO Steve Currie, Australia, attended the NAVAIR FMS logistics conference.

About the Author

Major Joanne B. Hawkins is an Army Quartermaster Officer and a DISAM associate professor. She is the functional coordinator for logistics instruction at DISAM, and the course director for the Logistics/Customer Support Course (SAM-CS). Major Hawkins holds a Bachelor of Arts degree from the University of Miami, Florida, a Master of Education degree from Campbell University, North Carolina, and a Master of Science degree from Central Michigan University. She is also a graduate from the Army Command and General Staff College. Major Hawkins has been teaching at DISAM for nearly seven years, concentrating in FMS logistics, FMS process, legislation and foreign policy and FMS financial management.